

**MINUTES OF THE
NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE
January 22, 2007
Room W130, West Office, Building, State Capitol Complex**

MEMBERS PRESENT: Sen. Dennis Stowell, Co-Chair
Rep. Ben Ferry, Co-Chair
Sen. Margaret Dayton
Rep. Roger Barrus
Rep. Jack Draxler
Rep. Carl Duckworth
Rep. Kerry W. Gibson
Rep. James R. Gowans
Rep. John G. Mathis
Rep. Michael E. Noel
Rep. Steve Sandstrom

MEMBERS ABSENT: Sen. Dimitrich and Sen. Valentine

STAFF: Ivan Djambov, Fiscal Analyst
Diane Obeshaw, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

SPEAKERS: Habitat Chief of DWR Mike Canning, Dir. of Wildlife Resources Jim Karpowitz, DWR Administrator of Services Chief Greg Sheehan, Kevin Carter, Kent ?, Exec. Dir. Mike Styler DNR, Bill Fenimore Utah Audubon,

Rep. Ferry called the meeting to order at 2:15 p.m.

MOTION: Rep. Gowans moved to approve the minutes of January 17, 2007. The motion passed unanimously with Sen. Dimitrich and Sen. Valentine absent for the vote.

Fiscal Analyst Ivan Djambov began with a Budget Brief of the Division of Wildlife Resources. He discussed the 7 line items which are created for management purposes and to ensure that particular types of funding are spent for their particular purposes. The DWR is the largest budget this committee will deal with but has the smallest percentage of general funds. This presented an issue during the last legislative session. The division was struggling with its general funding and was not able to cover the increases such as the retirement, the health benefits and also the COLA, and they proposed the fee increase in order to raise the restrictive funds to a level that could cover those. However the legislature decided not to approve those fee changes and allocated general funds of \$2.2 million to cover those additional costs. Those monies covered the 2007 increases. The Div. still had problems with the 2006 COLA and great increases and so you will see this year they've already addressed that a little, but today we'll be discussing the fee restructuring. Some fees went up and some fees are going down and this will be proposed for

your approval today.

Then the Analyst went on to cover the Divisions operational line item. There will be 3 funding increases. All three of them are dealing with restrictive funds and all three of them are depending upon the committees approval of the new fees. These 3 requests are for funding that will be generated through the fee re-structuring. The first request was for Wildlife Habitat Council Share of Higher Fees. The Utah Code requires a specific percentage of the fee revenues to be allocated to the Wildlife Habitat Counsel. If the legislature approves this increase, the Div. has estimated that the Habitat Council portion of the fee increase will be \$420,000 that by statute needs to be appropriated or allocated to the Wildlife Habitat Council. This is all restricted monies.

The other request from the Analyst is for Phragmites Control. The Div. is requesting for FY 2008 a one-time appropriation of \$200,000 from the GFR - Wildlife Resources for treating the areas around the Great Salt Lake for Phragmites (noxious weeds). This weed of invasive species is crowding out many of the native wetland plants that are essential for the waterfowl for feeding and nesting.

The third request is for the Walk In Access Program. The DWR believes that colaboration with willing landowners could result in more access to hunting and more fishing opportunities for the public. The DWR has been testing a pilot program in the Northern region, where willing land owners were compensated for allowing access to the public to fish and hunt on their properties. The result of this program has been positive and the Division is requesting funding to expand this program statewide. The Analyst recommends the Committee appropriate one-time \$450,000 from the GFR - Wildlife Resources for the Walk In Access Program.

The Analyst then briefly went over the hand-out information that was passed out. He pointed out the sale and number of fishing licenses that were sold in 2006, as well as the budget detailed information that he recommended for the Wildlife Resources Operation line item for FY 2008 a base budget appropriation of \$44,142,700, with \$5,025,200 from the General Fund. He then pointed out the Intent Language for this line item as well as the actual figures of the expenditures as well as FTE's.

Mike Canning Habitat Chief of DWR, then spoke and described what the Wildlife Habitat Council was and who it consisted of. He stated that the Council consists of four citizen members that represent different interests (angler, waterfowl, up and game hunters and big game hunters), and four DWR employees. The employees of DWR represent the chief of aquatic, chief of wildlife, chief of habitat section and their federal aid coordinator. They make recommendations to the Division Director on how to spend the money in the wildlife account. The money is to be used to acquire habitat, improve habitat or to provide improved sportsman access to fishing and hunting opportunities.

Dir. of Wildlife Resources Jim Karpowicz then spoke about how the \$450,000 requested for the Walk In Access Program is to be spent. He stated that it is to be paid out to land-owners as an incentive to hunting and fishing access on their properties. But it's really contingent on these new funds.

Dir. of Wildlife Resources Jim Karpowicz, and DWR Administrator of Services Chief Greg Sheehan then spoke about how the value of wildlife here in Utah benefits our citizens. They spoke of a study based on 2001 information that showed wildlife-associated recreation contributes over \$2.6 billion annually to the economy of Utah. He also stated that hunting, fishing and wildlife watching generate over \$100 million in state tax revenue and support almost 34,000 jobs. He went on to say that over one-million people participate in wildlife-associated recreation in Utah and that it enhances the quality of life, along with open space for all Utah citizens and that it's a major factor in why people choose to live and locate their businesses in Utah.

They then went on to share the Divisions recent accomplishments. For example, their habitat and wildlife initiative with over 144,000 acres that were approved in FY07 with funding received from the legislature. This was accomplished by matching the \$2.5 million of state funds with \$9 million from their partners. Also Strawberry Reservoir recently received an award for the "Outstanding Fisheries Management Project" in North America in 2006 from the American Fisheries Society. The Panquitch Lake treatment project was completed and has already produced great fishing. The Division has completed a new strategic management plan to guide the agency for the next five years, as well as the substantial efforts that have been made to improve recruitment and retention of employees, which has been their main concern, but they have implemented a new scholarship and internship opportunities to attract quality and lasting employees. They went on to talk about their financial challenges. The Governors proposed labor increase which was about \$1,803,435. But almost \$1.6 million of that they have to fund internally. They also shared their funding increases for General Services ISF and Technology Service Increases of \$51,856, as well as approximately \$250,000 to cover increases in fuel, utilities and communications. Additionally they are anticipating \$500,000 to cover operational deficits for FY 2007, and lastly they need approx. \$1,400,000 to cover anticipated labor increases in future years so their fees can remain stable. Lastly these two men discussed the proposed fee changes for FY 2008.

Fiscal Analyst IvanDjambov reviewed the six line items which deal with different pots of money for different services. The first item deals with funding for Range Creek. This is a new line item for the division. The Analyst is recommending the Legislature consider adopting for FY 2008 for Range Creek line item a base budget of \$161,000 from the General Fund. The Analyst does not recommend any supplemental appropriations for FY 2007. The next line item was the DWR Predator Control. These funds are transferred to the Dept. of Agriculture and Food. The Analyst recommends for the wildlife Resources Predator Control line item for FY 2008 a base budget appropriation of \$59,600 from the General Fund.

The next line item was for the Cooperative Environmental Studies, this line item accounts for the spending on studies done by DWR in cooperation with federal agencies, local government, agencies or other entities. The agencies supply the funding and the DWR provides the field teams to conduct the studies and complete the work. The Analyst recommends for the Wildlife Resources Cooperative Environmental Studies line item for FY 2008 a base budget appropriation of \$5,250,000. *It is the intent of the Legislature that the appropriation to the Cooperative Environmental Studies program be non-lapsing* because the nature of these projects and the funding they require sometimes are more than just one fiscal year and so this intent language comes in handy to complete.

Mr. Djambov then went on to discuss the Wildlife Resources Capital. This budget would include the large structural projects or habitat improvements. It is the intent of the Legislature that the Division of Wildlife Resources - Capital Budget be non-lapsing for the same reasons as mentioned earlier. The Analyst recommends for the Wildlife Resources Capital line item for FY 2008 a base budget appropriation of \$13,525,300, with \$800,000 from the General Fund. The Division is in the process of upgrading or rebuilding four of the fish hatcheries in the current fiscal year. The total amount of these projects is estimated to be \$13.6 million. for FY 2008 the Division has plans to spend additional \$1.2 million on its fish hatcheries. The next line item is for the Wildlife Resource Reimbursement. This is the pot of money that the Division has set aside to reimburse the Wildlife Resources restrictive account, a sum equal to the fees that were lost by mandated issuance of free/reduced price licenses to: 65 years of age or older; Residents of the State Developmental Center, State Hospital, a veterans's hospital or nursing home, a mental health centers, and other institutions: the blind, and so on, to receive those licenses for free. This money is to pay for the loss of money they're covering for these loss of licenses. The Analyst recommends for the Wildlife Resources Reimbursement line item for FY 2008 a base budget appropriation of \$74,800 from the General Fund.

Kevin Carter Director of School Institutions of Trust Lands Administration, requests that the Committee consider putting \$500,000 back into the budget so they would be in a position to continue their negotiations and continue this access to the public with private land owners.

Ed Kent, Chair of the Utah Wildlife Coalition, spoke in support of the Divisions recommended license and fee increase proposal, he also requests \$250,000 that would go toward annual wildlife area maintenance that would include roads, signs, habitat projects and facility maintenance including salaries for their employees.

Mike Styler Director of Natural Resources started by telling how years ago they had a State Duck stamp, a State Pheasant stamp and several stamps in places where money would go, then they decided that rather than having several stamps they would put a surcharge on licenses and allow that money go to habitat projects around the State, so they created the Habitat Stamp

which later on disappeared, but it was incorporated in the licenses and is still in the statute 23-19-43 which tells where that money must go, some goes to pheasant habitat, duck habitat and some goes to predator control. He wasn't sure if any of the money is for access or not.

Bill Christensen, Regional Director for the Rocky Mountain Elk Foundation, stated his support for the Division of Wildlife Budget Proposal in its entirety. He also briefly told of some of the projects the Elk Foundation has done.

Bill Fenimore, Utah Audubon Council spoke in support of the DWR's Budget Proposal, but he has concerns that the budget is short of where it should be, especially in the area of quality employee turnovers the DWR is experiencing. He believes the DWR is becoming the training ground for quality employees and would like to recommend more money be appropriated toward this area.

MOTION: Rep. Gibson moved to adjourn the meeting at 4:15 p.m. The motion passed unanimously with Sen. Dmitrich and Sen. Valentine absent for the vote.

Rep. Ben Ferry, Co-Chairman

Sen. Dennis Stowell, Co-Chairman